

PAPER F2

Management Accounting

高顿财经研究院 主编

高等教育出版社

ACCA

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高等教育出版社·北京

内容提要

本书是双语版 ACCA 富媒体智能教材。本书篇幅适当,阐述深入浅出,体系完整,内在联系紧密。同时,本书将丰富的视频资源以二维码的形式呈现,便于学生学习。本书内容包括: nature, source and purpose of management information; costing accounting techniques; budgeting; standard costing; performance measurements 等。本书适合作为 ACCA PAPER F2 课程教材,也可作为 ACCA 考试辅导用书。

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Syllabus

AIM

To develop knowledge and understanding of management accounting techniques to support management in planning, controlling and monitoring performance in a variety of business contexts.

RATIONALE

The syllabus for Paper F2, Management Accounting, introduces candidates to elements of management accounting which are used to make and support decisions.

The syllabus starts by introducing the nature, the source and purpose of cost accounting and the costing techniques used in business which are essential for any management accountant.

The syllabus then looks at the preparation and use of budgeting and standard costing

and variance analysis as essential tools for planning and controlling business costs. The syllabus concludes with an introduction to measuring and monitoring the performance of an organisation.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

A Explain the nature, source and purpose of management information

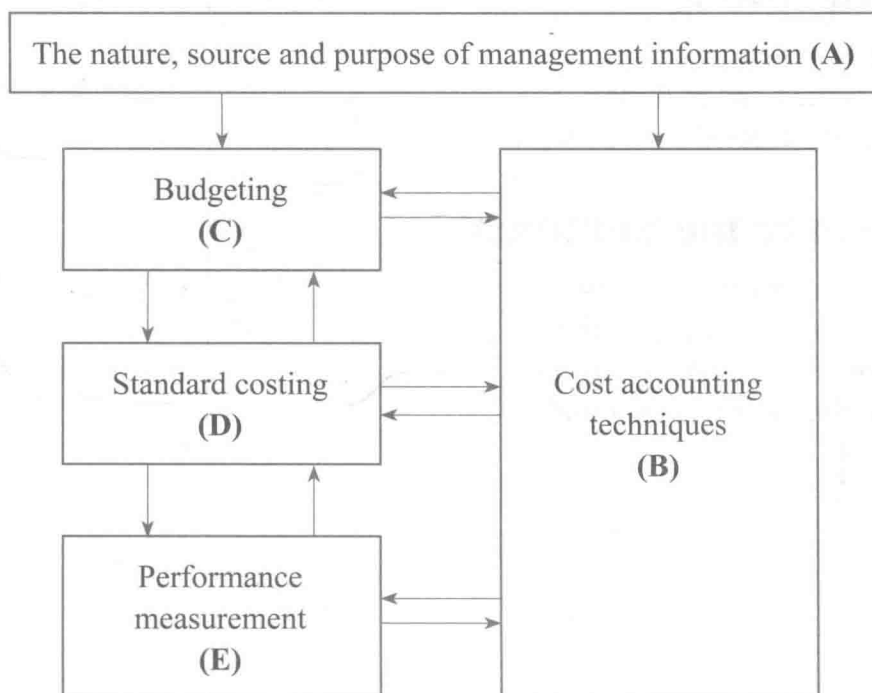
B Explain and apply cost accounting techniques

C Prepare budgets for planning and control

D Compare actual costs with standard costs and analyse any variances

E Explain and apply performance measurements and monitor business performance.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



Detailed Syllabus

A The nature, source and purpose of management information

1. Accounting for management
2. Sources of data
3. Cost classification
4. Presenting information

B Cost accounting techniques.

1. Accounting for material, labour and overheads
2. Absorption and marginal costing
3. Cost accounting methods
4. Alternative cost accounting principles

C Budgeting

1. Nature and purpose of budgeting
2. Statistical techniques
3. Budget preparation
4. Flexible budgets
5. Capital budgeting and discounted cash flow
6. Budgetary control and reporting
7. Behavioural aspects of budgeting

D Standard costing

1. Standard costing system
2. Variance calculations and analysis
3. Reconciliation of budgeted and actual profit

E Performance measurement

1. Performance measurement-overview
2. Performance measurement-application
3. Cost reductions and value enhancement
4. Monitoring performance and reporting

Approach to Examining

THE SYLLABUS

The syllabus is assessed by a two hour computer-based examination. Questions will assess all parts of the syllabus and will test knowledge and some comprehension or application of this knowledge.

The examination will consist of two sections.

Section A

35×2 mark objective questions = 70%

Section B

3×10 mark multi-task questions = 30%

Section B will examine Budgeting, Standard costing and Performance measurement sections of the syllabus.

Study Guide

A THE NATURE, SOURCE AND PURPOSE OF MANAGEMENT INFORMATION

1. Accounting for management

- a) Describe the purpose and role of cost and management accounting within an organisation.
- b) Compare and contrast financial accounting with cost and management accounting.
- c) Outline the managerial processes of planning, decision making and control.
- d) Explain the difference between strategic, tactical and operational planning.
- e) Distinguish between data and information.
- f) Identify and explain the attributes of good information.
- g) Explain the limitations of management information in providing guidance for managerial decision-making.

2. Sources of data

- a) Describe sources of information from within and outside the organisation (including government statistics, financial press, professional or trade associations, quotations and price list).
- b) Explain the uses and limitations of published information/data (including information from the internet).
- c) Describe the impact of general economic environment on costs/revenue.
- d) Explain sampling techniques (random, systematic, stratified, multistage, cluster and quota).
- e) choose an appropriate sampling method in a specific situation.

(Note: Derivation of random samples will not be examined)

3. Cost classification

- a) Explain and illustrate production and non-production costs.
- b) Describe the different elements of non-production costs- administrative, selling, distribution and finance.
- c) Describe the different elements of production cost- materials, labour and overheads.
- d) Explain the importance of the distinction between production and non-production costs when valuing output and inventories.
- e) Explain and illustrate with examples classifications used in the analysis of the product/service costs including by function, direct and indirect, fixed and variable, stepped fixed and semi variable costs.
- f) Explain and illustrate the use of codes in categorising transaction.
- g) Describe and illustrate, graphically, different types of cost behaviour.
- h) Use high/low analysis to separate the fixed and variable elements of total costs including situations involving semi variable and stepped fixed costs and changes in the variable cost per unit.
- i) Explain the structure of linear functions and equations.
- j) Explain and illustrate the concept of cost objects, cost units and cost centres.
- k) Distinguish between cost, profit, investment and revenue centres.
- l) Describe the differing needs for information of cost, profit, investment and revenue centre managers.

4. Presenting information

- a) Prepare written reports representing management information in suitable formats according to purpose.
- b) Present information using tables, charts and

graphs (bar charts, line graphs, pie charts and scatter graphs).

- c) Interpret information (including the above tables, charts and graphs) presented in management reports.

B COST ACCOUNTING TECHNIQUES

1. Accounting for material, labour and overheads

- a) Accounting for materials:
- (i) Describe the different procedures and documents necessary for the ordering, receiving and issuing of materials from inventory.
 - (ii) Describe the control procedures used to monitor physical and “book” inventory and to minimise discrepancies and losses.
 - (iii) Interpret the entries and balances in the material inventory account.
 - (iv) Identify, explain and calculate the costs of ordering and holding inventory (including buffer inventory)
 - (v) Calculate and interpret optimal reorder quantities.
 - (vi) Calculate and interpret optimal reorder quantities when discounts apply.
 - (vii) Produce calculations to minimise inventory costs when inventory is gradually replenished.
 - (viii) Describe and apply appropriate methods for establishing reorder levels where demand in the lead time is constant.
 - (ix) Calculate the value of closing inventory and material issues using LIFO, FIFO and average methods.
- b) Accounting for labour:
- (i) Calculate direct and indirect costs of labour.
 - (ii) Explain the methods used to relate input labour costs to work done.
 - (iii) Prepare the journal and ledger entries to

record labour cost inputs and outputs.

- (iv) Describe different remuneration methods: time-based systems, piecework systems and individual and group incentive schemes.
 - (v) Calculate the level, and analyse the costs and causes of labour turnover.
 - (vi) Explain and calculate labour efficiency, capacity and production volume ratios.
 - (vii) Interpret the entries in the labour account.
- c) Accounting for overheads:
- (i) Explain the different treatment of direct and indirect expenses.
 - (ii) Describe the procedures involved in determining production overhead absorption rates.
 - (iii) Allocate and apportion production overheads to cost centres using an appropriate basis.
 - (iv) Reapportion service cost centre costs to production cost centres (including using the reciprocal method where service cost centres work for each other).
 - (v) Select, apply and discuss appropriate bases for absorption rates.
 - (vi) Prepare journal and ledger entries for manufacturing overheads incurred and absorbed.
 - (vii) Calculate and explain the under and over absorption of overheads.

2. Absorption and marginal costing

- a) Explain the importance of, and apply, the concept of contribution.
- b) Demonstrate and discuss the effect of absorption and marginal costing on inventory valuation and profit determination.
- c) Calculate profit or loss under absorption and marginal costing.
- d) Reconcile the profits or losses calculated under absorption and marginal costing.
- e) Describe the advantages and disadvantages of absorption and marginal costing.

3. Cost accounting methods

- a) Job and batch costing:
 - (i) Describe the characteristics of job and batch costing.
 - (ii) Describe the situations where the use of job or batch costing would be appropriate.
 - (iii) Prepare cost records and accounts in job and batch costing situations.
 - (iv) Establish job and batch costs from given information.
- b) Process costing:
 - (i) Describe the characteristics of process costing.
 - (ii) Describe the situations where the use of process costing would be appropriate.
 - (iii) Explain the concepts of normal and abnormal losses and abnormal gains.
 - (iv) Calculate the cost per unit of process outputs.
 - (v) Prepare process accounts involving normal and abnormal losses and abnormal gains.
 - (vi) Calculate and explain the concept of equivalent units.
 - (vii) Apportion process costs between work remaining in process and transfers out of a process using the weighted average and FIFO methods.
 - (viii) Prepare process accounts in situations where work remains incomplete.
 - (ix) Prepare process accounts where losses and gains are identified at different stages of the process.
 - (x) Distinguish between by-products and joint products.
 - (xi) Value by-products and joint products at the point of separation.
 - (xii) Prepare process accounts in situations where by-products and/or joint products occur. (Situations involving work-in-process and losses in the same process are excluded).
- c) Service/operation costing:

- (i) Identify situations where the use of service/operation costing is appropriate.
- (ii) Illustrate suitable unit cost measures that may be used in different service/operation situations.
- (iii) Carry out service cost analysis in simple service industry situations.

4. Alternative cost accounting

- a) Explain activity based costing (ABC), target costing, life cycle costing and total quality management (TQM) as alternative cost management techniques.
- b) Differentiate ABC, Target costing and life cycle costing from the traditional costing techniques (note: calculations are not required).

C BUDGETING

1. Nature and purpose of budgeting

- a) Explain why organisations use budgeting.
- b) Describe the planning and control cycle in an organisation.
- c) Explain the administrative procedures used in the budgeting process.
- d) Describe the stages in the budgeting process (including sources of relevant data, planning and agreeing draft budgets and purpose of forecasts and how they link to budgeting).

2. Statistical techniques

- a) Explain the advantages and disadvantages of using high low method to estimate the fixed and variable element of costing.
- b) Construct scatter diagrams and lines of best fit.
- c) Analysis of cost data:
 - (i) Explain the concept of correlation coefficient and coefficient of determination.
 - (ii) Calculate and interpret correlation coefficient and coefficient of determination.

- (iii) Establish a linear function using regression analysis and interpret the results.
- d) Use linear regression coefficients to make forecasts of costs and revenues.
- e) Adjust historical and forecast data for price movements.
- f) Explain the advantages and disadvantages of linear regression analysis.
- g) Describe the product life cycle and explain its importance in forecasting.
- h) Explain the principles of time series analysis (cyclical, trend, seasonal variation and random elements).
- i) Calculate moving averages.
- j) calculation of trend, including the use of regression coefficients.
- k) Use trend and seasonal variation (additive and multiplicative) to make budget forecasts.
- l) Explain the advantages and disadvantages of time series analysis.
- m) Explain the purpose of index numbers.
- n) Calculate simple index numbers for one or more variables.
- o) Explain the role and features of a computer spreadsheet system.
- p) Identify applications for computer spreadsheets and their use in cost and management accounting.

3. Budget preparation

- a) Explain the importance of principal budget factor in constructing the budget.
- b) Prepare sales budgets.
- c) Prepare functional budgets (production, raw materials usage and purchases, labour, variable and fixed overheads).
- d) Prepare cash budgets.
- e) Prepare master budgets (statement of profit or loss and statement of financial position).
- f) Explain and illustrate "what if" analysis and scenario planning.

4. Flexible budgets

- a) Explain the importance of flexible budgets in control.
- b) Explain the disadvantages of fixed budgets in control.
- c) Identify situations where fixed or flexible budgetary control would be appropriate.
- d) Flex a budget to a given level of volume.

5. Capital budgeting and discounted cash flows

- a) Discuss the importance of capital investment planning and control.
- b) Define and distinguish between capital and revenue expenditure.
- c) Outline the issues to consider and the steps involved in the preparation of a capital expenditure budget.
- d) Explain and illustrate the difference between simple and compound interest, and between nominal and effective interest rates.
- e) Explain and illustrate compounding and discounting.
- f) Explain the distinction between cash flow and profit and the relevance of cash flow to capital investment appraisal.
- g) Identify and evaluate relevant cash flows for individual investment decisions.
- h) Explain and illustrate the net present value (NPV) and internal rate of return (IRR) methods of discounted cash flow.
- i) Calculate present value using annuity and perpetuity formulae.
- j) Calculate NPV, IRR and payback (discounted and non-discounted).
- k) Interpret the results of NPV, IRR and payback calculations of investment viability.

6. Budgetary control and reporting

- a) Calculate simple variances between flexed budget, fixed budget and actual sales, costs and profits.
- b) Discuss the relative significance of variances.

- c) Explain potential action to eliminate variances.
- d) Define the concept of responsibility accounting and its significance in control.
- e) Explain the concept of controllable and uncontrollable costs.
- f) Prepare control reports suitable for presentation to management (to include recommendation of appropriate control action).

7. Behavioural aspects of budgeting

- a) Explain the importance of motivation in performance management.
- b) Identify factors in a budgetary planning and control system that influence motivation.
- c) Explain the impact of targets upon motivation.
- d) Discuss managerial incentive schemes.
- e) Discuss the advantages and disadvantages of a participative approach to budgeting.
- f) Explain top down, bottom up approaches to budgeting.

D STANDARD COSTING

1. Standard costing systems

- a) Explain the purpose and principles of standard costing.
- b) Explain and illustrate the difference between standard, marginal and absorption costing.
- c) Establish the standard cost per unit under absorption and marginal costing.

2. Variance calculations and analysis

- a) Calculate sales price and volume variance.
- b) Calculate materials total, price and usage variance.
- c) Calculate labour total, rate and efficiency variance.
- d) Calculate variable overhead total, expenditure and efficiency variance.
- e) Calculate fixed overhead total, expenditure and, where appropriate, volume, capacity and efficiency variance.

- f) Interpret the variances.
- g) Explain factors to consider before investigating variances, explain possible causes of the variances and recommend control action.
- h) Explain the interrelationships between the variances.
- i) Calculate actual or standard figures where the variances are given.

3. Reconciliation of budgeted and actual profit

- a) Reconcile budgeted profit with actual profit under standard absorption costing.
- b) Reconcile budgeted profit or contribution with actual profit or contribution under standard marginal costing.

E PERFORMANCE MEASUREMENT

1. Performance measurement overview

- a) Discuss the purpose of mission statements and their role in performance measurement.
- b) Discuss the purpose of strategic and operational and tactical objectives and their role in performance measurement.
- c) Discuss the impact of economic and market conditions on performance measurement.
- d) Explain the impact of government regulation on performance measurement.

2. Performance measurement — application

- a) Discuss and calculate measures of financial performance (profitability, liquidity, activity and gearing) and non-financial measures.
- b) Perspectives of the balanced scorecard:
 - (i) discuss the advantages and limitations of the balanced scorecard.
 - (ii) describe performance indicators for financial success, customer satisfaction, process efficiency and growth.
 - (iii) discuss critical success factors and key performance indicators and their link to objectives and mission statements.

- (iv) establish critical success factors and key performance indicators in a specific situation.
- c) Economy, efficiency and effectiveness:
 - (i) explain the concepts of economy, efficiency and effectiveness.
 - (ii) describe performance indicators for economy, efficiency and effectiveness.
 - (iii) establish performance indicators for economy, efficiency and effectiveness in a specific situation.
 - (iv) discuss the meaning of each of the efficiency, capacity and activity ratios.
 - (v) calculate the efficiency, capacity and activity ratios in a specific situation.
- d) Unit costs:
 - (i) describe performance measures which would be suitable in contract and process costing environments.
- e) Resource utilization:
 - (i) describe measures of performance utilisation in service and manufacturing environments.
 - (ii) establish measures of resource utilisation in a specific situation.
- f) Profitability:
 - (i) calculate return on investment and residual income.
 - (ii) explain the advantages and limitations of return on investment and residual income.

- g) Quality of service:
 - (i) distinguish performance measurement issues in service and manufacturing industries.
 - (ii) describe performance measures appropriate for service industries.

3. Cost reductions and value enhancement

- a) Compare cost control and cost reduction.
- b) Describe and evaluate cost reduction methods.
- c) Describe and evaluate value analysis.

4. Monitoring performance and reporting

- a) Discuss the importance of non-financial performance measures.
- b) Discuss the relationship between short-term and long-term performance.
- c) Discuss the measurement of performance in service industry situations.
- d) Discuss the measurement of performance in non-profit seeking and public sector organisations.
- e) Discuss measures that may be used to assess managerial performance and the practical problems involved.
- f) Discuss the role of benchmarking in performance measurement.
- g) Produce reports highlighting key areas for management attention and recommendations for improvement.

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Section A

Nature, Source and Purpose of Management Information

LEARNING OBJECTIVES

1. Describe the purpose and role of cost and management accounting an organisation
A1[a]
2. Explain the limitations of management information in providing guidance for managerial decision-making
A1[g]
3. Outline the managerial processes of planning, decision making and control
A1[c]
4. Explain the difference between strategic, tactical and operational planning
A1[d]
5. Compare and contrast financial accounting with cost and management accounting
A1[b]

1.1 What is management accounting

Management accounting is the “application of the principles of accounting and financial management to create, protect, preserve and increase value for the shareholders of for-profit and not-for-profit enterprises in the public and private sectors.” (CIMA)

Management accounting is, narrowly speaking, accounting for management. It involves providing information to serve management functions. The management functions may differ in organisations which have different objectives. The managerial process has to focus on achieving the organisation’s overall objectives.

There are two main types of organisations:

- a. For-profit organisations: most private sector enterprises
- b. Not-for-profit organisations:
 - a) Charities
 - b) Public sector organisations: government

Objectives of these organisations:

For-profit organisation

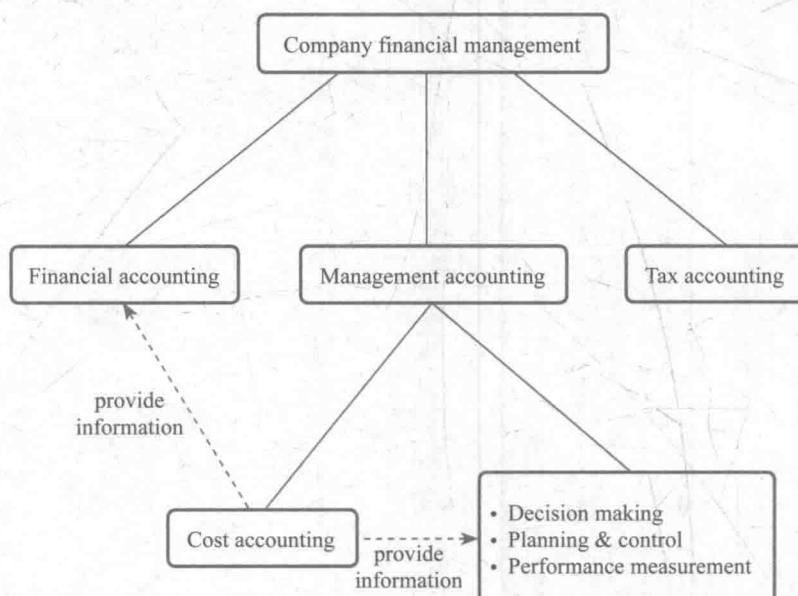
Maximise profits/shareholder wealth
Maximise revenue
Minimise costs
Increase market share

Not-for-profit organisation

Provide quality goods/services
Minimise costs
Use resources efficiently
Satisfaction of donor

知识点解读:

注意非营利组织和营利性组织一样,也是需要控制成本 minimise costs。



1.2 Role of management accounting

1.2.1 Introduction

Cost accounting	<ul style="list-style-type: none"> To determine the cost of goods or services <ol style="list-style-type: none"> Financial accountant use it to value inventories, and to calculate profit Management accountant use it to assist i.e. analysing profitability or setting prices
Decision-making	<ul style="list-style-type: none"> To choose between alternatives by considering the relevant information i.e. <ol style="list-style-type: none"> What will be our product? How much do we sell them for? Should we buy them in or produce ourselves?
Planning	<ul style="list-style-type: none"> To establish objectives To assess and select appropriate strategies to achieve objectives
Control	<ul style="list-style-type: none"> To measure actual results To compare the actual outcomes with planned/expected outcomes To take control action to improve operations To review the original plan
Performance measurement	<ul style="list-style-type: none"> By compare their actual performance against budgets or targets <ol style="list-style-type: none"> To assess and evaluate the performance of divisions To appraise the performance of employees

高频考点：

本章节最重要的考核点，是了解和区分管理会计在企业中的角色，会根据题中的描述判断属于哪一种角色。

1. Costing 成本核算，用于 pricing 和 inventory 估值
2. Decision making 决策
3. Planning 计划，包含定目标 objective 和战略选择 strategy
4. Control 控制，主要是 planning 和 actual 的对比
5. Performance measurement 业绩评估

1.2.2 Cost accounting

Cost accounting is the “gathering of cost information and its attachment to cost objects, the establishment of budgets, standard costs and actual costs of operations, processes, activities or products; and the analysis of variances, profitability or the social use of funds.” (CIMA)

Cost accounting is an important function of management accounting. Management accounting is concerned with areas broader than cost accounting. It uses information provided by cost accounting and gathered from other internal and external sources to assist management.

Cost accounting information is produced using data from historical events. Managerial decision-making is based on future perspectives, which always incorporate risk and uncertainty. It requires some degree of forward looking. Applying historical data to look into the future makes the cost information of limited use.

1.2.3 Managerial process of planning, decision making and control

Planning, decision making and control are the main functions of management accounting. Although they involve different process, they have to work together for a company to develop and achieve its success. The managerial process of decision-making is also structured by a planning and control cycle.